

**February 2014**

**Bachelor of Business Administration (BBA) Examination**  
**V Semester**

**Banking and Insurance**

Time 3 Hours]

[Max. Marks 80

**Note : Attempt any four questions from Section A. Section B is compulsory. Each question of Section A carries 15 marks and of Section B a case for 20 marks.**

**Section A**

- Q.1. What do you mean by Risk ? Classify risk and discuss the risk management process.
- Q.2. Insurance is a special type of contract. How the various types of conditions of contracts are applicable in insurance ?
- Q.3. Banks are supposed to be engine of economy. Comment.
- Q.4. Discuss the important features of BASEL 2 norms for banking.
- Q.5. Write short notes on the following :
- (a) CRR and SLR.
  - (b) Open Market Operations.
  - (c) ALM of the Bank.

**Section B**

- Q.1. Discuss the implications and importance of various banking ratios.
- Q.2. (a) A made a proposal to an insurance company for an insurance policy on his life for Rs. 5,00,000. He truthfully answered all questions on the proposal form and disclosed all relevant facts. A few days later but before the proposal was accepted, A was taken ill with pneumonia. The proposal was accepted by the company next day. Two days after A died of pneumonia and the company learnt for the first time of his illness. Is the insurance company liable to make the payment ?
- (b) A ship owner gets compensation of Rs. 80,000 from his insurer. The insurer by exercising subrogation rights recovers Rs. 1,20,000 from another ship owner for his negligence. Discuss what will happen to Rs. 40,000 and why ?